

STATE OF HAWAII

Accounting Manual

---

Volume I

Part 300: Organization for Financial Administration

Page 340.01

SECTION 340: DEPARTMENT OF BUDGET AND FINANCE

The Department of Budget and Finance, as a staff agency in the State's executive branch of government, provides significant service to the Governor in the administration of financial matters. The service provided is performed primarily by two functional units, the Budget Division and the Finance Division.

Budget Division

Under the direction of the Governor, the Budget Division prepares the Governor's budget recommendation to be submitted to the Legislature. To begin the preparation process, the Budget Division advises all departments and agencies as to the Governor's budget policy. In accordance with that policy, the various departments and agencies then submit their budget requests for analysis and evaluation by the Budget Division. As a result of this review, and under the continuing direction of the Governor, the budget recommendation is compiled.

In preparing the Governor's budget recommendation, the Budget Division also gathers revenue estimates from the various departments and agencies, and therefrom establishes the amounts of the various kinds of resources anticipated to finance the budget recommendation. The budget document itself includes the revenue estimates, as well as other supplementary data related to the recommendation.

When the actual appropriations have been made by the Legislature and signed into law by the Governor, the Budget Division advises all departments and agencies as to the Governor's policy for executing the budget. Expenditure plans and quarterly allotment requests are received and reviewed, and only with the approval of the Budget Division do they become operational. Throughout a budget period, the Budget Division reviews any changes requested in the allotments. Generally, its approval is also required for any transfers between appropriation accounts within a department or agency.

Finance Division

The primary function of the Finance Division is to manage the State Treasury. It receives and maintains custody of the State's money and other liquid assets, and it pays therefrom all warrants issued by the Comptroller. It also makes other disbursements and investments appropriate for optimum cash management.

July 1, 1969

STATE OF HAWAII

Accounting Manual

---

Volume I

Part 300: Organization for Financial Administration

Page 340.02

SECTION 340: DEPARTMENT OF BUDGET AND FINANCE (cont'd.)

Finance Division (cont'd.)

As an integral part of its money management function, the Finance Division determines the need for bond issues authorized by the Legislature. When bonds are marketed, the Finance Division participates in the sale and determines the application of the proceeds. Activities related to the State's bonded indebtedness, such as redemptions and payments of principal and interest installments, are also performed by the Finance Division.

July 1, 1969